



Linda Kay Olivieri,
MMC
City Clerk

City of Commerce

August 8, 2012

Ms. Sachi A. Hamai, Executive Officer
Los Angeles County Board of Supervisors
Room 383 Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, California 90012

Dear Ms. Hamai:

Enclosed please find two certified copies each of the following:

- Resolution No. 12-84, approved and adopted by the City Council of the City of Commerce, California, on August 6, 2012, declaring a state of fiscal emergency for placement of a general tax measure before the qualified voters of Commerce;
- Resolution No. 12-85, approved and adopted by the City Council of the City of Commerce, California, on August 6, 2012, calling and giving notice of the holding of a Special Municipal Election on Tuesday, November 6, 2012, for the submission to the qualified voters of the City a proposed Ordinance, and
- Resolution No. 12-86, approved and adopted by the City Council of the City of Commerce, California, on August 6, 2012, requesting the Los Angeles County Board of Supervisors to consolidate the Special Municipal Election with the November 6, 2012, Statewide General Election.

Please advise as to whether or not the City's request for consolidation will be accepted.

Thank you for your consideration of this matter and if I may be of any assistance to you, please feel free to give me a call.

Sincerely,

Linda Kay Olivieri, MMC
City Clerk

Enc. (3)

cc: Mr. Alex Olvera, Assistant Division Manager (letter only)
L.A. Co. CC/RR, Election Preparation Division

Mr. Francis Guijaro, Head (letter only)
L.A. Co. CC/RR, Election Planning/Election Coordination

ELEC78.DOC

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

38 August 21, 2012

SACHI A. HAMAI
EXECUTIVE OFFICER

RESOLUTION NO. 12-84

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
DECLARING A STATE OF FISCAL EMERGENCY FOR PLACEMENT OF A GENERAL
TAX MEASURE BEFORE THE VOTERS OF COMMERCE

WHEREAS, the City of Commerce (the "City") is facing a severe and immediate budget crisis as a result of the State Legislature's adoption of AB1X 26 ("AB 26"), which was approved by the Governor of the State of California on June 28, 2011; and

WHEREAS, as a result of the adoption of AB 26, as of February 1, 2012, the amount of funds available for the City to pay for salaries for important municipal operations has been reduced by \$2,000,000, and there is no substitute source for such funds; and

WHEREAS, as a result of the adoption of AB 26, as of February 1, 2012, the amount of funds available for the City to pay for important development projects and capital improvement projects has been reduced by at least \$ 5,000,000, and there is no substitute source for such funds; and

WHEREAS, as a result of revenue shortfalls, the City was forced to implement layoffs for Fiscal Year 2012-2013. The City was able to balance the Fiscal Year 2012-2013 budget by, among other things, identifying and utilizing approximately \$845,000 in revenue sources that will not recur in 2013-2014; and

WHEREAS, the City's municipal operations would be severely hampered by having to further reduce the City workforce in Fiscal Year 2013-2014 in order to absorb additional revenue shortfalls; and

WHEREAS, the City needs to pursue at least \$30,000,000 in street infrastructure improvement projects over the course of the next several years. Such projects are needed in order to repair badly deteriorating streets. However, the City must postpone a number of such projects until it has sufficient funding; and

WHEREAS, in some cases, the infrastructure issues that the City must address may subject the City to potential liability if they are not timely completed in the relatively near future; and

WHEREAS, the City also needs to pursue a number of public facility repairs, including the Veterans' Park Improvement, North Annex Demolition, and City Hall and Senior Center Plaza Improvement, which have an estimated cost of \$4,000,000; and

WHEREAS, the City was also in the process of attempting to assess and clean up various contaminated properties throughout the City. The City had anticipated using redevelopment funds, where possible, to assist in remediating such properties. Because of the passage of AB 26, the City has no funding available for such projects; and

WHEREAS, without the adoption of a tax measure by voter approval, there is no other way to make up the budget shortfalls and lack of revenue generation, except by further workforce reductions and program cuts, thus causing a severe and immediate impact to the health and safety of the people of the City by threatening the timely and efficient provision of police and fire services and the safe and sanitary provision of municipal services, including street, sidewalk and park maintenance; and

WHEREAS, a general tax measure must be presented to the voters at the November 6, 2012, election for it to have an immediate effect on the City budget for Fiscal Year 2013-2014; and

WHEREAS, in order to present the general tax to the voters for the November 6, 2012 election, Proposition 218 requires that the City declare an emergency by unanimous vote of the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE AND ORDERS AS FOLLOWS:

Section 1. The recitals set forth above are true and correct.

Section 2. The City Council has considered the full record before it, which may include, but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it.

Section 3. The City Council hereby determines that, based on the fiscal situation described herein created by the passage of AB 1 X26 by the California State Legislature and the Governor of the State of California, there now exists and for the foreseeable future will exist an emergency that is fiscal in nature within the City of Commerce that threatens the City's ability to provide essential services to the residential and business population within its borders.

Section 4. This action is exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Section 5. The action of declaring an emergency is intended for the purpose of complying with Article 13C § 2(b) of the California Constitution to allow a general tax measure to go before the voters at other than a regularly scheduled general election for members of the City Council and Mayor and for no other purpose.

PASSED, APPROVED AND ADOPTED this 6th day of August, 2012, by the following vote:

AYES: Councilmembers: AGUILAR, ALTAMIRANO, ROBLES
Mayor Pro Tempore: BACA DEL RIO
Mayor: LEON

NOES: Councilmembers: None.

ABSENT: Councilmembers: None.

ABSTAIN: Councilmembers: None.



Lilia R. Leon, Mayor

ATTEST:


Linda Kay Oliveri
City Clerk

RESO (FISCAL EMERGENCY) - 08-06-2012.DOC

THIS IS A CERTIFIED TRUE COPY OF
City of Commerce, California,
Resolution No. 12-84,
THE ORIGINAL OF WHICH IS ON FILE
IN THE CITY CLERKS OFFICE.


OFFICE OF THE CITY CLERK
CITY CLERK 08/08/2012

RESOLUTION NO. 12-84

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
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WHEREAS, the City's municipal operations would be severely hampered by having to further reduce the City workforce in Fiscal Year 2013-2014 in order to absorb additional revenue shortfalls; and

WHEREAS, the City needs to pursue at least \$30,000,000 in street infrastructure improvement projects over the course of the next several years. Such projects are needed in order to repair badly deteriorating streets. However, the City must postpone a number of such projects until it has sufficient funding; and

WHEREAS, in some cases, the infrastructure issues that the City must address may subject the City to potential liability if they are not timely completed in the relatively near future; and

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WHEREAS, without the adoption of a tax measure by voter approval, there is no other way to make up the budget shortfalls and lack of revenue generation, except by further workforce reductions and program cuts, thus causing a severe and immediate impact to the health and safety of the people of the City by threatening the timely and efficient provision of police and fire services and the safe and sanitary provision of municipal services, including street, sidewalk and park maintenance; and

WHEREAS, a general tax measure must be presented to the voters at the November 6, 2012, election for it to have an immediate effect on the City budget for Fiscal Year 2013-2014; and

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AYES: Councilmembers: AGUILAR, ALTAMIRANO, ROBLES
Mayor Pro Tempore: BACA DEL RIO
Mayor: LEON

NOES: Councilmembers: None.

ABSENT: Councilmembers: None.

ABSTAIN: Councilmembers: None.

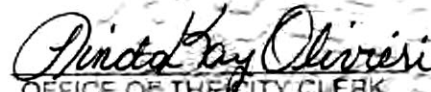

Lilia R. Leon, Mayor

ATTEST:


Linda Kay Oliveri
City Clerk

RESO (FISCAL EMERGENCY) – 08-06-2012.DOC

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OFFICE OF THE CITY CLERK
CITY CLERK 08/08/2012

RESOLUTION NO. 12-85

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
CALLING FOR AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL
ELECTION ON TUESDAY, NOVEMBER 6, 2012, FOR THE SUBMISSION TO THE
QUALIFIED VOTERS A PROPOSED ORDINANCE

WHEREAS, the City Council of the City of Commerce, California, desires to submit to the voters at a Special Municipal Election a proposed Ordinance relating to enacting a one-half of one percent ($\frac{1}{2}\%$) transactions and use (sales) tax to fund general municipal services, as authorized by Revenue and Taxation Code §7285.9. Such tax is a general tax, the revenues of which will be used for general governmental purposes, including but not limited to public safety, public facility, infrastructure repairs and improvements and all other general city services vital to the preservation of the public health, safety and welfare; and

WHEREAS, the City Council is authorized and directed by statute to submit the proposed Ordinance to the voters.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Commerce, California, on Tuesday, November 6, 2012, a Special Municipal Election for the purpose of submitting the following proposed Ordinance:

MEASURE A. SHALL THE ORDINANCE IMPOSING A ONE-HALF OF ONE PERCENT ($\frac{1}{2}\%$) TRANSACTIONS AND USE (SALES) TAX TO OFFSET SEVERE STATE BUDGET CUTS AND PROVIDE FUNDING FOR SUCH THINGS AS POLICE AND FIRE SERVICES, REPAIR, MAINTENANCE AND IMPROVEMENT OF STREETS, SIDEWALKS, PUBLIC FACILITIES, PARKS, LIBRARIES AND OTHER CITY SERVICES, WITH ALL REVENUES STAYING IN THE CITY AND SPENDING REVIEWED BY A CITIZENS' ADVISORY PANEL AND INDEPENDENTLY AUDITED, BE APPROVED?	YES	
	NO	

Section 2. That the text of the Ordinance submitted to the voters is attached hereto as Exhibit "A".

Section 3. That the ballots to be used at the election shall be in the form and content as required by law.

Section 4. That the City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

Section 5. That the polls for the election shall be open at seven o'clock a.m. (7:00 a.m.) of the day of the election and shall remain open continuously from that time until eight o'clock p.m. (8:00 p.m.) of the same day when the polls shall be closed, pursuant to Elections Code §10242, except as provided in §14401 of the Elections Code of the State of California.

Section 6. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

Section 7. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

Section 8. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED and ADOPTED this 6th day of August, 2012.


Lilia R. Leon, Mayor

ATTEST:


Linda Kay Oliveri, MMC
City Clerk

ELEC (RESO - CALLING FOR & GIVING NOTICE OF SPECIAL MUNI ELEC - SALES TAX) - 2012.DOC

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OFFICE OF THE CITY CLERK
CITY CLERK 08/08/2012

RESOLUTION NO. 12-85

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QUALIFIED VOTERS A PROPOSED ORDINANCE

WHEREAS, the City Council of the City of Commerce, California, desires to submit to the voters at a Special Municipal Election a proposed Ordinance relating to enacting a one-half of one percent (½%) transactions and use (sales) tax to fund general municipal services, as authorized by Revenue and Taxation Code §7285.9. Such tax is a general tax, the revenues of which will be used for general governmental purposes, including but not limited to public safety, public facility, infrastructure repairs and improvements and all other general city services vital to the preservation of the public health, safety and welfare; and

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Section 8. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED and ADOPTED this 6th day of August, 2012.


Lilia R. Leon, Mayor

ATTEST:


Linda Kay Oliveri, MMC
City Clerk

ELEC (RESO - CALLING FOR & GIVING NOTICE OF SPECIAL MUNI ELEC - SALES TAX) - 2012.DOC

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OFFICE OF THE CITY CLERK
CITY CLERK 08/08/2012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2012, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE SAME DATE PURSUANT TO §10403 OF THE ELECTIONS CODE

WHEREAS, the City Council of the City of Commerce, California, called a Special Municipal Election to be held on Tuesday, November 6, 2012, for the purpose of submitting to the qualified voters the question relating to an Ordinance enacting a one-half of one percent (½%) transactions and use (sales) tax to fund general municipal services; and

WHEREAS, it is desirable that the Special Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same, and that the County Election Department of the County of Los Angeles canvass the returns of the Special Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That pursuant to the requirements of §10403 of the Elections Code, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of a Special Municipal Election with the Statewide General Election on Tuesday, November 6, 2012, for the purpose of submitting to the qualified voters the question relating to an Ordinance enacting a one-half of one percent (½%) transactions and use (sales) tax to fund general municipal services.

Section 2. That a measure is to appear on the ballot as follows:

MEASURE A. SHALL THE ORDINANCE IMPOSING A ONE-HALF OF ONE PERCENT (½%) TRANSACTIONS AND USE (SALES) TAX TO OFFSET SEVERE STATE BUDGET CUTS AND PROVIDE FUNDING FOR SUCH THINGS AS POLICE AND FIRE SERVICES, REPAIR, MAINTENANCE AND IMPROVEMENT OF STREETS, SIDEWALKS, PUBLIC FACILITIES, PARKS, LIBRARIES AND OTHER CITY SERVICES, WITH ALL REVENUES STAYING IN THE CITY AND SPENDING REVIEWED BY A CITIZENS' ADVISORY PANEL AND INDEPENDENTLY AUDITED, BE APPROVED?	YES	
	NO	

Section 3. That the County Election Department is authorized to canvass the returns of the Special Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

Section 4. That the Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.

Section 5. That the City of Commerce recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

Section 6. That the City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County Election Department of the County of Los Angeles.

Section 7. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED and ADOPTED this 6th day of August, 2012.

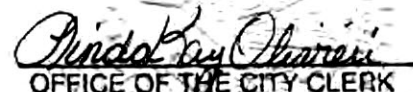

Lilia R. Leon, Mayor

ATTEST:


Linda Kay Olyeri,
City Clerk

ELEC (RESO - REQUESTING CONSOLIDATION - SALES TAX) - 2012.DOC

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OFFICE OF THE CITY CLERK
CITY CLERK 08/08/2012

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CITY CLERK

08/08/2012

EXHIBIT A

MEASURE A

ORDINANCE NO. _____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF COMMERCE, STATE OF CALIFORNIA, ENACTING A ONE-HALF OF ONE PERCENT (½%) TRANSACTIONS AND USE (SALES) TAX TO FUND GENERAL MUNICIPAL SERVICES

THE PEOPLE OF THE CITY OF COMMERCE, STATE OF CALIFORNIA DO ORDAIN AS FOLLOWS:

Section 1. The following new Chapter 3.09 is hereby added to the Commerce Municipal Code:

"CHAPTER 3.09

TRANSACTIONS AND USE TAX

Sections:

- 3.09.010. Title.
- 3.09.020. Operative date.
- 3.09.030. Purpose.
- 3.09.040. Contract with state.
- 3.09.050. Transactions tax rate.
- 3.09.060. Place of sale.
- 3.09.070. Use tax rate.
- 3.09.080. Adoption of provisions of state law.
- 3.09.090. Limitations on adoption of state law and collection of use taxes.
- 3.09.100. Permit not required.
- 3.09.110. Exemptions and exclusions.
- 3.09.120. Amendments.
- 3.09.130. Enjoining collection forbidden.
- 3.09.140. Oversight, auditing and reporting.
- 3.09.150. Severability.
- 3.09.160. Effective date.

3.09.010. TITLE.

This chapter shall be known as the "Transactions and Use Tax Ordinance of the City of Commerce." The City of Commerce hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3.09.020. OPERATIVE DATE.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

3.09.030. PURPOSE.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose. The tax is a

ORDINANCE NO. _____
TRANSACTIONS AND USE (SALES) TAX

general tax whose proceeds shall be deposited in the City's general fund and expended for any lawful purposes of the City.

B. To adopt a retail transactions and use tax law ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3.09.040. CONTRACT WITH STATE.

Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.09.050. TRANSACTIONS TAX RATE.

For the privilege of selling tangible personal property at retail, an increased tax is hereby imposed upon all retailers in the incorporated territory of the City of Commerce at the rate of one-half of one percent ($\frac{1}{2}\%$) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3.09.060. PLACE OF SALE.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3.09.070. USE TAX RATE.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one-half of one percent ($\frac{1}{2}\%$) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.09.080. ADOPTION OF PROVISIONS OF STATE LAW.

Except as otherwise provided in this chapter or except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the

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provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth therein.

3.09.090. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of the City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California.

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provisions of the code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

3.09.100. PERMIT NOT REQUIRED.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this chapter.

3.09.110. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administrated transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

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2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purpose of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconstitutional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this city of tangible personal property.

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issues pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Section 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purpose of subparagraph (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within

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the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.09.120. AMENDMENTS.

All amendments subsequent to the effective date of this chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this chapter.

3.09.130. ENJOINING COLLECTION FORBIDDEN.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.09.140. OVERSIGHT, AUDITING AND REPORTING.

By no later than six months after the end of each fiscal year after the operative date, the City's independent auditors shall complete a report reviewing the collection, management and expenditure of revenue from the tax levied by this chapter. Additionally, there shall be an advisory committee to the City Council consisting of no fewer than five seats to review and report on the receipt of revenue and expenditure of funds from the tax authorized by this chapter. The committee members shall be either City residents or representatives of City businesses. Within 90 days of the operative date of this chapter, the City Council shall adopt a resolution establishing the composition of the committee, appointing the committee members, setting the terms of office of the committee members, and defining the scope of the committee's responsibilities, which at a minimum shall include reviewing the annual auditor's report and making recommendations to the City Council for use of the tax revenue. The committee members shall serve at the pleasure of the City Council. The committee's report and recommendations shall be completed by a date to allow for it to be considered as part of each annual budget process. The committee's report and recommendation shall be a matter of public record and shall be considered and reported by the City Council at a public meeting.

Section 2. This ordinance shall be submitted to the electorate of the City of Commerce for approval at the November 6, 2012, Special Municipal Election.

Section 3. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this chapter or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this chapter or any part thereof. The people of the City of Commerce, State of California hereby declare that they would

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have approved each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, or invalid or ineffective.

Section 4. This ordinance requires the majority vote of the electorate voting in its favor in order to become a valid and binding ordinance of the City of Commerce. This ordinance shall be considered adopted upon the date that the vote is declared by the legislative body and shall become effective on April 1, 2013.

ENACTED BY THE PEOPLE OF THE CITY OF COMMERCE, STATE OF CALIFORNIA AT THE SPECIAL MUNICIPAL ELECTION HELD ON TUESDAY, NOVEMBER 6, 2012.

Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

ELEC ORDINANCE (SALES TAX) – 2012.DOC